

10/31/78 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Rafshoon to Pres. Carter, w/attachments 3 pp., re:Art Awards recommendations	10/27/78	C
Memo	Brzezinski to Pres. Carter, w/attachments 8 pp., re:Consulate closings <i>opened 6/1/82</i>	10/25/78	A
Memo	Brzezinski to Pres. Carter, w/attachments 31 pp., re:Metal Fastener Imports	10/31/78	A
Memo	Brzezinski to Pres. Carter, w/attachments 9 pp., re:Arms sales <i>6 pp. opened per RAC NLC-126-14-47-1-4 NLC-126-14-47-2-4 ; 6/27/13</i>	10/26/78	A

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THE PRESIDENT'S SCHEDULE

Tuesday - October 31, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

9:00 Mr. James McIntyre et al/Budget Review Session.
(60 min.) The Cabinet Room.

10:30 Mr. Jody Powell - The Oval Office.

11:30 Vice President Walter F. Mondale, Admiral
(30 min.) Stansfield Turner, Dr. Zbigniew Brzezinski,
and Mr. Hamilton Jordan - The Oval Office.

12:05 Photograph with Alabama State Senator Bill King.
(2 min:) (Mr. Frank Moore) - The Oval Office.

12:10 Presentation of 1977 Public Papers of the
(3 min.) President by Representatives of the Federal
Register. (Ms. Fran Voorde)
The Oval Office.

12:15 Mr. and Mrs. Maurice Fleiss/Family.
(2 min.) (Mr. Jody Powell) - The Oval Office.

12:20 His Imperial Highness Crown Prince Reza of Iran.
(5 min.) (Dr. Zbigniew Brzezinski) - The Oval Office.

THE WHITE HOUSE
WASHINGTON

October 31, 1978

Secretary Vance
Jim McIntyre

The attached were returned in the
President's outbox today and are
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Zbig Brzezinski

POST CLOSINGS

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
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	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
/	BRZEZINSKI
/	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
/	VANCE

THE WHITE HOUSE
WASHINGTON

10/26/78

Mr. President:

No comment from Congressional Liaison.

Brzezinski's comment is attached.

Rick



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

ok
I

2 OCT 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. McIntyre, Jr.
SUBJECT: Post Closings

Jim

In the attached memorandum, Secretary Vance is seeking your approval for the Department to close thirteen consular posts. This proposal would save about \$3 million annually and 100 positions. Secretary Vance notes that special reactions are likely to occur from several of the closures. He believes that the closures are nonetheless warranted. I strongly support his proposal as part of our overall effort to reduce government operating costs.

Attachment

Electrostatic Copy Made
for Preservation Purposes

①

THE SECRETARY OF STATE
WASHINGTON

September 19, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: Cyrus R. Vance *CRV*

SUBJECT: Post Closings

In the Department's FY 1980 budget submission, which meets the reduced budget and personnel ceilings suggested in your spring budget review, I have recommended the elimination of several activities marginal to our goals and objectives, including the closing of thirteen consular posts.

The post closing recommendation, which at current exchange rates would save an estimated \$3 million annually and approximately 100 positions, was made after a careful examination of productivity, inspection reports and the bureaus' ZBB rankings of all 113 consular posts. Those slated for closing are:

Adana, Turkey	Nice, France
Belem, Brazil	Port Said, Egypt
Bremen, Federal Republic of Germany	Salzburg, Austria
Brisbane, Australia	Surabaya, Indonesia
Goteborg, Sweden	Tangier, Morocco
Mandalay, Burma	Turin, Italy
	Zanzibar, Tanzania

Each of these posts has a foreign constituency, and several have Congressional backing as well, so a final decision to close them will inevitably result in some political appeals to reverse ground. Some such pleas have been received already, which is why I seek your early decision on the issue in advance of the regular budget clearance later in the fall.

All posts listed are distinctly marginal, and the functions they perform can be shifted to our embassies or other posts in the countries in question. You should be aware that there are four whose closing is likely to produce special reactions.

Goteborg. This consulate general was opened in May, 1976, as a result of a sense of the Senate resolution proposed by Hubert Humphrey.

Salzburg. This consulate was reopened in July, 1973, only because Austrian Chancellor Kreisky personally intervened with President Nixon.

Bremen. In May, 1976, Hans Koschnick, Mayor of Bremen and Deputy Chairman of the Social Democratic Party, asked Secretary Kissinger to forego plans to close this post. Either Koschnick or Foreign Minister Genscher, who is also a resident of Bremen, may prevail upon Chancellor Schmidt to intervene.

Nice. We may well hear from Prince Rainier or Princess Grace or their well-to-do American friends pleading for the retention of this consulate.

Recommendation

I recommend -- and the Office of Management and Budget concurs -- that you approve the closing of the 13 listed posts in FY 1979 and 1980, so that we can proceed now to notify the governments concerned and the appropriate committees of Congress.

Approve ✓ Disapprove

J

THE WHITE HOUSE
WASHINGTON

ACTION

October 25, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI *vs.*
SUBJECT: Consulate Closings

In connection with the Department of State's FY 1980 budget submission, Secretary Vance has suggested closing 13 consular posts. With one partial exception, I concur in this recommendation. The exception is our consulate in Turin, Italy, which I believe should not be closed immediately.

Economic difficulties, terrorism, the continuing threat of Communist advances, and the possibility of early national elections in 1978-80 make this a particularly sensitive and uncertain period in Italian developments. Turin is a focal point for Italy's difficulties. It is part of Italy's "industrial triangle", a center for heavy industry and the attendant labor problems. It is the center for recruiting and activism of the Red Brigades. It is currently governed by a Communist administration. Thus to lessen our direct contact with developments in Turin would hamper our ability to follow Italian affairs. Moreover, to close this consulate would convey the wrong political signal at this time, especially in view of our commitment to the "strategy of cooperation" with Italy. (That strategy aims at a strengthened public perception of undiminished U.S. interest in Italian affairs.) Ambassador Gardner voiced his strong opposition to the proposed closing during my visit to Rome for the Papal investiture.

Recommendation:

That you approve Secretary Vance's proposed consulate closings, except for the post in Turin, the closing of which should be delayed for two or three years.

Jay 3/27/92

October 31, 1978

To:
Patty

From: Ma L

5484

THE WHITE HOUSE
WASHINGTON

10/31/78

Signed
10/30/78

Zbig Brzezinski
Jim McIntyre

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Director Reinhardt has received a copy of his memo.

Rick Hutcheson

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cc Reinhardt
of his memo

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	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
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	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE
WASHINGTON

Mr. President:


McIntyre notes that the report required by Congress will meet the needs raised by Brzezinski. OMB would like to work with ICA and NSC to deveop this report.

Rick/Bill

October 24, 1978

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI 

SUBJECT: Report on ICA's First Six Months

John Reinhardt has prepared a brief report (TAB A) for you on the first six months of the International Communication Agency, which came into being on April 1, 1978. He cites several examples of the effectiveness of this agency's work, much of which results cumulatively from the efforts of the past, e.g. large VOA listenership in the Soviet Union, participation in past exchange programs by 38 current heads of government and emulation of our cultural exchange programs by many other countries. His agency, as he points out in respect to Camp David, has a capacity to communicate important information rapidly to all parts of the world.


What is disturbing in this report, however, is the information that our exchange programs have declined by 57% in constant dollars over the past twelve years. This illustrates dramatically a point made in PRM-10: our expenditures on the competition for ideas have not kept pace with military outlays and we have a serious lag to make good. Unless we put more money and assign more talent to this area, our successors ten years hence will not have as much evidence of effectiveness to cite as John Reinhardt does in this report.

There are many more countries in the world now educating more people for accelerated political, economic and social development than there were even ten years ago. We should expose more of them to the United States so that they will understand us better when they take leadership positions. I would like to have your approval to take up with John Reinhardt the need for planning systematic expansion of ICA's exchange programs.

AGREE ✓

DISAGREE _____

Attachment
TAB A





International Communication Agency

United States of America
Washington, D.C. 20547

Director

Good
J

October 5, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

John E. Reinhardt *YER*

Since October 1 marked the end of the first six months of the International Communication Agency's existence, this seems an appropriate time to give you the first of the periodic accountings called for in your March 13 memorandum to me.

Briefly, most of our reorganization work is now complete. Good working relationships have been established with the National Security Council and the Department of State (closer, more productive relationships than have existed in many years). We have been working intimately with the Department and the NSC on such issues as the Bonn Summit, follow-up on the Camp David agreements, arms control and disarmament, the "successor generation" in Europe, international communications policy, human rights and others.

We have focused heavily on refinements in our work, in an effort to achieve significant gains in operational efficiency and effect. A few indicators of where we stand:

- According to Soviet research statistics (which accord closely with our own estimates), 60%-75% of the urban intelligentsia in the Soviet Union listens regularly to the Voice of America.
- 38 current heads of government participated during their formative years in our exchange programs (including, for example, Anwar Sadat, Mario Soares, Valery Giscard d'Estaing, Helmut Schmidt and Julius Nyerere).

- Our worldwide press service made it possible to put the complete texts of the Camp David Accords (which the commercial services were transmitting in abbreviated form) in the hands of influential Middle Easterners -- in and out of government -- overnight.
- Our Fulbright exchange program has been emulated repeatedly by other countries over the past thirty years -- an irony, since, as a result of recurring budgetary restrictions, our exchange programs have declined by 57% in constant dollars in the past twelve years. We also have 29% fewer people on our rolls than in 1964 (and may be the only agency in your government which can make such a statement).
- France, West Germany, Japan and the United Kingdom each devoted a larger percentage of its 1977 national budget than did the United States to external cultural and information activities. According to CIA, the Soviet Union spends "at least \$2 billion a year" on pro-Communist and anti-U.S. propaganda; this compares with our \$361 million budget in fiscal 1978.

But perhaps the most important indicator of all is the frequency and intensity with which the creation of ICA has been attacked by the Soviets over the past year. These attacks, I believe, reflect both the Soviets' underlying insecurity (recognition of their disadvantages vis-a-vis the United States in the long-term competition of ideas and value systems) and their appreciation of the power of communication and ideas. As Lenin put it in 1924, "ideas are more fatal than guns."

Unlike the Soviets, we as a country and as a government tend to understate the centrality of our ideas and values to our position in the world and how attractive they remain to foreign peoples. It is, therefore, important to focus on the positive impact of your human rights policy at the popular level abroad. As a result of that impact, we appear to be reclaiming something the United States was in danger of forfeiting to Marxism-Leninism -- an identification with the future.

I am convinced that our continued competition with the Soviets and their followers, as well as our relations with the developing nations, will be determined essentially by the force of our ideas and the effectiveness with which we communicate them to the rest of the world. If I interpret your statements and actions correctly, this accords well with your own sense of priorities. It is ICA's essential work. At the end of our first six months, I believe we can carry this work forward from a position of strength and confidence.

cc The Secretary of State

WASHINGTON

attaching your 4 d d

DATE: 24 OCT 78

FOR ACTION: JIM MCINTYRE

INFO ONLY:

SUBJECT: BRZEZINSKI MEMO RE REPORT ON ICA'S FIRST SIX MONTHS

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM THURSDAY 26 OCT 78 +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

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	STRAUSS
	VANCE



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

26 OCT 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *JTM*
Director

SUBJECT: Report on ICA's First Six Months

In his report to you on ICA's first six months, John Reinhardt points to some of ICA's accomplishments and notes the agency would like to do more, especially in the exchanges area. Zbig, in his cover memo, seeks your approval to work with Reinhardt in planning the systematic expansion of the exchanges program.

The recently enacted 1979 State/ICA authorization act states that you "shall /gradually over the next four years/ increase significantly the financial resources expended . . . for exchange-of-persons activities" and requires that you prepare a plan to do so in consultation with the Congress. These requirements are infringements on your Executive responsibilities both under the Constitution and the Budget and Accounting Act. Your response to the legislation will have to be carefully developed, especially since 1980 and outyear increases for ICA exchanges cannot be substantially increased under current budget policies.

We believe the report required by Congress will meet the need seen by Zbig and we will work with him and John to develop it.

THE WHITE HOUSE
WASHINGTON

10/30/78

Jody Powell
Jerry Rafshoon

The attached was returned in the
President's outbox today and
is forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Phil Wise
Fran Voorde

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THE WHITE HOUSE
WASHINGTON

Mr. President:

In response to your question,
Jerry says that there would
be a maximum of 30-35 people
at each breakfast meeting.

Rick/Bill

THE WHITE HOUSE
WASHINGTON

Mr. President:

If you approve please
leave some flexibility to
schedule beyond the 90 day
period referred to in the
memo.

Phil

THE WHITE HOUSE

WASHINGTON

October 25, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON *Jerry*
JODY POWELL *J*

SUBJECT: Breakfast Meeting with
White House Press Corps

We would like to add two events to the schedule of press activity which you have already approved for the next ninety days. These events would both be breakfast meetings on the record (similar to the Sperling Breakfast format) with members of the regular White House Press Corps. These breakfasts can be substitutes for either a news conference or an out-of-town editors' briefing.

These reporters, who have more to do with the public's perception of the Administration than any others, only have the opportunity to ask you questions in the rather stilted news conference forum. We feel that they deserve and would appreciate the kind of access on a more informal basis that has been afforded to many bureau chiefs and columnists. The reason for two breakfasts instead of one is the rather large and unwieldy number of reporters who cover the White House.

APPROVE ✓

DISAPPROVE

*Provided
not more
than 30/breakfast*

*How many
at each?*

THE WHITE HOUSE
WASHINGTON

10/31/78

Jim McIntyre

The attached was returned in the
President's outbox today and is
forwarded to you for appropriate
handling.

Rick Hutcheson

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

8 0 OCT 1978

9:00 AM

Jim
J

MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre *Jim*
SUBJECT: Budget Meeting, Tuesday, October 31, 1978, 9:00 A.M.
(60 minutes)

I. PURPOSE This is the first of our weekly meetings that will give you salient information about our reviews of budget requests.

II. PARTICIPANTS

Jim McIntyre
Bo Cutter

Sue Woolsey
Frank Raines

Tentative
sk

III. <u>DISCUSSION</u>	(dollars in millions)				
	1979	1980		1982	
	OMB rec.	Agency request	OMB rec.	Agency request	OMB rec.
a. Commerce - Labor Intensive					
Public Works					
Budget Authority	0	1,004	0	1,004	0
Outlays	0	848	0	1,004	0

Secretary Kreps has proposed continuation of efforts to seek Congressional approval for a "soft" public works program. This proposal which would authorize \$1 billion per year for 3 years was part of the "Urban Policy" initiatives announced last March. Legislation was submitted in April, but was not acted upon in the last session of Congress.

OMB recommends against resubmitting this legislation next year. Our experiences in the last session of Congress showed that there is little likelihood of passage of legislation of this type unless we are willing to reduce drastically our goal of targeting these funds to the low income, long-term unemployed. Further, current employment in the construction industry is high and has been increasing. Under these circumstances a "soft" public works program would crowd out private sector construction activity and spur wage and material cost inflation in this area of the economy.

(dollars in millions)					
	1979	1980		1982	
	OMB rec.	Agency request	OMB rec.	Agency request	OMB rec.
b. <u>Veterans Administration</u>					
Budget Authority	20,297	21,201	20,622	22,501	21,513
Employment (permanent, in thousands)	199.2 ^{a/}	207.4	197.6	n.a.	n.a.

a/ Agency request, 207.9

The VA medical system is so labor-intensive that the personnel reductions required by the Leach provision in the Civil Service bill drive all other decisions. We have decided to ask the VA to do the following:

- Convert this year (instead of by 1987 as planned) 15,000 acute care beds to long-term care,
- Close five hospitals, and
- Close under-utilized speciality units (e.g., open heart surgery) where affiliated community hospitals can perform the service on contract as needed by the service-connected.

and FY79 =
1987 FY77
1,909,000
Now '79
1,930,000

These major changes are needed to reduce personnel to the required level after all available staffing reductions in other parts of the agency were taken.

	1979	1980		1982	
	OMB rec.	Agency request	OMB rec.	Agency request	OMB rec.
c. <u>Small Business Adminis- tration</u>					
Budget Authority	960	833	755	908	830
Outlays	1,522	714	654	763	696
Permanent employees ...	4,576	5,114	4,593	n.a.	n.a.

SBA and OMB agree that the 1980 budget should again be based on the assumption that the Administration will seek legislation to remove SBA's farm lending responsibilities.

In 1980, OMB is recommending program levels for direct and guaranteed business loans which are identical to FY 1979 enacted levels or about 2% below SBA's request:

	1979 enacted	1980 agency request	1980 OMB rec.
Direct	327	336	327
Guaranteed	3,496	3,574	3,496

SBA has requested sizeable personnel increases for 1980 in two areas: loan portfolio management (+203) and for the Office of Small Business

n.a. not available

Advocacy (+74). OMB recommends that the portfolio management requirements be met through reprogramming of sixty management assistance personnel to loan servicing functions and by more fully hiring staff against authorized personnel ceilings. Our recommendation would permit no increases for the Advocacy office beyond its current base of 38 positions in line with your recent position in vetoing the omnibus small business bill.

THE WHITE HOUSE
WASHINGTON

10/31/78

Landon Butler

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been sent to Stripping for mailing.

Rick Hutcheson

cc: Alfred Kahn
Stripping

THE WHITE HOUSE

WASHINGTON

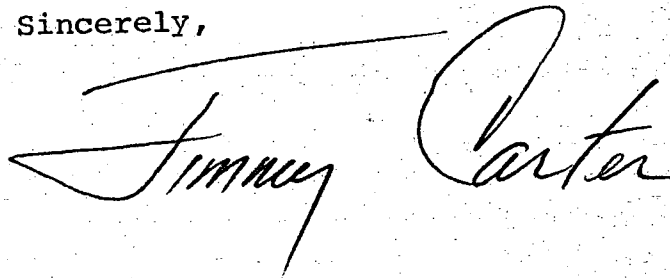
October 30, 1978

To Doug Fraser

I was encouraged by the anti-inflation statement of the UAW.

Our program is reasonable and workable, but we will need the cooperation of all labor and employer groups. The federal government will fulfill its role.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

Douglas Fraser, President
International Union, UAW
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

FOR RELEASE: Immediate, Thursday, October 26, 1978

UAW COMMENTS ON

ANTI-INFLATION PROGRAM

The UAW said today it supports President Carter's goal of reducing inflation to less than 6.5 percent over the next year.

"Workers, retirees and the poor have suffered more from inflation than any other sector in our society," UAW Pres. Douglas A. Fraser said. "We desperately want anti-inflation efforts to succeed."

"There are numerous aspects of the President's voluntary program that remains unclear, but the UAW is hopeful that the plan can be administered in an equitable manner that achieves the goal of reducing inflation," he said.

Fraser said the UAW has almost a year before the expiration of contracts with the Big 3 automakers and the major agricultural implement manufacturers.

"We will know well in advance of the crucial negotiating periods whether or not it is succeeding," he said.

"It is especially significant that the President's program stipulates that wage increases in excess of the guidelines are acceptable if they reflect changes in work that improve productivity," the UAW president said.

"Our union has supported for years efforts to improve productivity through use of appropriate new technologies and automation," he said. The result has been and will continue to be high productivity that fits the situation described by the President

Fraser said the productivity gains should not only accrue to the workers, also to the consumers in the form of lower price increases.

"The concept of real wage insurance is a positive one that the UAW hopes will be enacted quickly," he said. "I believe President Carter should call a special session immediately after the election to enact a tax refund to insure that workers who abide by the guidelines are protected against excessive increases in the consumer price index."

The UAW president said the low-wage exemption affecting those earning \$4 per hour or less should be raised to \$5.25 in an effort to keep the gap from growing larger between low wage earners and those who are better off.

"We are also concerned about the proposed public sector budget cuts. They are likely to cut not only wasteful programs but also social programs our country desperately needs," Fraser said.

"Overall unemployment in this country is still far too high," he said. "With the President's support, Congress just enacted a Humphrey-Hawkins bill that contained specific language stating that anti-inflation efforts must not undercut our full employment goal."

Fraser said the UAW believes the Federal Reserve Board and the banks should act to reduce interest rates promptly.

"Rather than maintaining high interest rates that anticipate high inflation, the Fed could play a key role in making the anti-inflation program get off to a good start by reducing them now," he said.

Fraser said the UAW intends in coming months to work with the Carter Administration and the American people to achieve the inflation reduction goal.

"Basic principles of equality require that there be equal flexibility in dealing with factors affecting wages, just as there will be on prices," he said.

"We are hopeful that the plan will be fairly administered and that the American people will see their sacrifices result in controlling the inflation devastating the economy right now," Fraser said.

THE WHITE HOUSE
WASHINGTON

10/31/78

Frank Moore

The attached was returned in the
President's outbox today and is
forwarded to you for delivery.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

10-28-78

To Willie O'Neill

Thank you for helping to
represent our country at the
investiture services of Pope
John Paul II.

I appreciate the medal
you brought me, blessed by
His Holiness.

Love,

Jimmy Carter

Mrs. Thomas P. O'Neill, Jr.

Dear Mr. President,

Please accept this medal
blessed by His Holiness, Pope John Paul II.

The memory of the audience
with the Pontiff will remain with us
for the rest of our days. We are
truly grateful for the opportunity to be
part of the historic change in the
selection of this wonderful man of vision.

I hope you can one day meet
with him and experience the hope and
courage I felt when introduced to him.

Tom and I are extremely grateful
to you for the privilege of representing
you at this most important event.

Sincerely,

Medred O'Neill

5553

THE WHITE HOUSE
WASHINGTON

10/31/78

Zbig Brzezinski

The attached was returned in the
President's outbox today and is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim McIntyre

~~SECRET~~ ATTACHMENT

DECLASSIFIED

Per, Rac Project

ESDN: NLC-126-14-417-1-4

BY KS NARA DATE 6/24/13



~~SECRET~~

GDS

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

30 OCT 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*

SUBJECT: Brzezinski and Newsom Memos on Arms Sales to Taiwan

As I indicated to you regarding your previous review of Taiwan's request for new fighter aircraft, I believe it is time to decide how (or, perhaps, if) we will replace the present generation of "intermediate capability" (F-5) aircraft which we have supplied to over twenty countries around the world.

I believe we should review whether or not we want to continue selling intermediate capability (as opposed to front line F-14/F-15/F-16/F-18) aircraft to certain countries. If so, we should make our intention clear both to industry and potential purchasers.

Accordingly, I would agree with all of Zbig's views except number four. I believe that State's language is appropriate. Indeed, we have not yet made an F-5E follow-on decision, and I believe we should do so in a strategic context, rather than incrementally, as each F-5 nation comes to us with a request. I recognize Zbig's concern that State's language may imply that for Taiwan, there is a near-term chance of reversing your earlier decision on the F-5G. However, to omit that phrase may leave an even more inaccurate and damaging impression, i.e., that the U.S. has decided on an aircraft to replace F-5E's around the world in the future, and has chosen to exclude only Taiwan.

~~SECRET~~

GDS

DECLASSIFIED

Per, Rac Project

ESDN; NLC-126-14-47-2-4

BY LS NARA DATE 6/24/13

~~SECRET~~

7820502

DEPARTMENT OF STATE
WASHINGTON

NODIS/SENSITIVE

October 20, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: David D. Newsom, Acting *DDN*

SUBJECT: Request for Decisions on
Conventional Arms Transfer Cases

I am recommending that you approve the following Foreign Military Sales (FMS) cases for the Republic of China: co-production of an additional 48 F-5E aircraft, sales of 72 Harpoon missiles and 12 launchers, 400 laser guided bomb kits, and 500 Maverick missiles. These cases fall within the current policy guidelines and should have no significant adverse affect on normalization. The Department of Defense and the Arms Control and Disarmament Agency concur in this recommendation.

The ROC has asked for co-production of an additional 48 F-5E aircraft and co-production in the future of 50 of a proposed follow-on aircraft, the F-5G. In approving the 48 additional F-5E's, I believe we should agree to the ROC request that this be done by extending the present co-production/co-assembly arrangement now due to expire in Spring 1981. Approving the sale of the F-5E's and, particularly, keeping the production line open, will provide concrete assurance to Congress, as well as to the ROC, that we plan to continue defense ties with Taiwan on into the future, regardless of a change in our relationship with the PRC.

Co-production/co-assembly of the F-5E has gone on since 1974. Last year you agreed to permit added co-production of 20 aircraft. Given the history of this program, we believe it is not contrary to our arms transfer policy and can be tolerated by Peking. Since we are not approving the development of the F-5G, 48 F-5E's will be inadequate for Taiwan's defense needs.

~~SECRET~~

XGDS

DECLASSIFIED

Per, Rac Project

ESDN: NLC-126-14-47-1-04

BY 125 NACA, DATE 6/24/13

~~SECRET~~

- 2 -

We should, therefore, be prepared to inform the ROC that we would consider favorably a request for additional F-5E's as well as telling them that we have given our approval for Israeli sales of the Kfir aircraft to the ROC. ok

Provision to the ROC of the Harpoon missile system and precision-guided munitions (PGM) will serve U.S. interests in enhancing the credibility of the ROC deterrent capability against a PRC seaborne attack. Also, because of expectations fueled by press play and aircraft corporation gossip that a favorable decision had been made to provide Taiwan with the F-5G's, ROC President Chiang Ching-kuo will find our response on aircraft a bitter pill. A favorable response on the Harpoon and the PGM will soften the impact and demonstrate to the ROC and Congress that we are responsive to legitimate ROC defense needs.

The total value of these four cases is \$199 million and can be accommodated in the FY 79 worldwide ceiling on arms transfers. Subject to your approval we will report them as required by law to Congress when it reconvenes in January.

The attachment describes the four cases, including means of payment, and provides a space for you to indicate your decision on each case.

Attachment: As stated.

~~SECRET~~

~~SECRET~~

NODIS/SENSITIVE

<u>TYPE CASE</u>	<u>COUNTRY</u>	<u>VALUE (\$M)</u>	<u>DESCRIPTION</u>
FMS	Republic of China	107.0 (Cash)	Continued co-production of 48 F-5 aircraft

In 1972 the USG approved a program which would permit the ROC to co-produce F-5 aircraft. This case will add to the 20 aircraft you approved last year and will extend the agreement to increase the co-production to a total of 248 aircraft.

Decision:

Approve ✓

Disapprove

<u>TYPE CASE</u>	<u>COUNTRY</u>	<u>VALUE (\$M)</u>	<u>DESCRIPTION</u>
FMS	Republic of China	55.0 (Cash)	72 Harpoon Missiles and 12 Launchers

These surface-to-surface Harpoon anti-ship missiles and associated launchers are to be used to outfit six high-speed patrol boats, which the ROC has on order from Tacoma Boat. Acquisition of this system will provide the ROC Navy with a modest and necessary anti-ship capability to enhance their naval defenses and specifically to counter the threat of the PRC Styx missile fleet of 185 ships.

Decision:

Approve

Disapprove

defer

~~SECRET~~

XGDS

~~SECRET~~

- 2 -

<u>TYPE CASE</u>	<u>COUNTRY</u>	<u>VALUE (\$M)</u>	<u>DESCRIPTION</u>
FMS	Republic of China	20.5 (Cash)	500 Maverick Missiles (AGM65A), 48 modification kits, and 100 launchers

The Maverick is a relatively small, television guided-missile designed for use against small concentrated targets such as armored vehicles, revetments, gun positions, communications vans, etc, and will provide the ROC F-5E aircraft with a limited air-to-ground capability. Given the limited range and number of F-5 series aircraft, ROC acquisition of Maverick would not constitute a significant offensive threat to the PRC but would improve the ROC defensive capability.

Decision:

Approve ✓

Disapprove

<u>TYPE CASE</u>	<u>COUNTRY</u>	<u>VALUE (\$M)</u>	<u>DESCRIPTION</u>
FMS	Republic of China	16.5 (Cash)	400 Laser Guided Bomb kits and 29 laser de- signation kits

The laser guided bomb kit modifies standard bombs so as to provide precision delivery against a wide spectrum of targets. Acquisition of these kits will provide the ROC F-5 aircraft with a limited air-to-ground capability and a limited capability against sea-borne targets, such as invasion barges, etc. Given the limited range and number of F-5 series aircraft, ROC acquisition of these kits would not constitute a significant offensive threat to the PRC but would improve the ROC defensive capability.

Decision:

Approve ✓

Disapprove

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

10/31/78

Stu Eizenstat
Frank Moore
Jim McIntyre

The attached was returned in the
President's outbox today and is
forwarded to you for your information.
The signed bill has been given to
Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

THE WHITE HOUSE
WASHINGTON

October 30, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Sh*
SUBJECT: Enrolled Bill H.R. 9075 - For the
Relief of John F. Johnson

THE BILL

Mr. Johnson, the postmaster for Beech Grove, Indiana, undercharged a local newspaper for postage over a period of about 2 1/2 years. The error was discovered in an audit of the post office. The postmaster has been unable to collect the \$767.98 due from the publisher and by the time the case was referred to the Law Department of the Postal Service, the statute of limitations had expired. Under postal regulations, the postmaster is liable for improper charges. The enrolled bill would relieve Mr. Johnson of this liability.

VOTES IN CONGRESS

The bill passed the Senate by voice vote and the House by unanimous assent.

AGENCY AND STAFF RECOMMENDATIONS

The Office of Management and Budget and the United States Postal Service recommend approval. I recommend you sign the bill.

DECISION

✓ Sign H. R. 9075 (recommended)
 Veto H.R. 9075

Reluctantly -
J

12:05 PM

THE WHITE HOUSE

WASHINGTON

October 30, 1978

PHOTO SESSION WITH SENATOR BILL KING

Tuesday, October 31, 1978
12:05 p.m. (2 minutes)
The Oval Office

From: Frank Moore *FM/BR*

I. PURPOSE

To have a photo taken with State Senator Bill King of Huntsville, Alabama.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Senator Bill G. King served as your Alabama Campaign Chairman for the Primary and General elections. He is here in town for a Urban Development Action Grant Conference. Until this year, he held the position as State Senator having been elected in 1974. However, this year he ran unsuccessfully for Lt. Governor and was defeated by State Senator McMillian. Senator King also was a representative in the Alabama House from 1970-1974. He is married and has three children.

Senator King is now serving as Chairman of the Board of Directors for Public Systems Inc., a management consulting firm in Huntsville, Alabama. He has spent sixteen years of his life in the field of government (local, State and Federal) as well as private business.

Participants: The President, Frank Moore, Jim Free and Phil Wise.

Press Plan: White House Photographer only.

III. TALKING POINTS

1. You should thank Senator King for all of his efforts and hard work during your campaign.
2. Tell him you are very sorry that he didn't win his race for Lt. Governor, but you hope that he will remain in public life.

Sen. Bill King
Page two

3. Tell him that he is under consideration for the public seat on the Advisory Commission on Intergovernmental Relations and you hope he will fill that vacancy should all work out.

KRAFT/GAMMILL
DECISION MEMO

12:15 PM

THE WHITE HOUSE
WASHINGTON

October 30, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL *JP*

RE : Your meeting with Katja Fleiss
Tuesday, October 31, 12:15 pm

You may recall that a year ago Halloween, we learned that Maurice Fleiss' three-year-old daughter Katja (pronounced "Kot-cha") was to undergo surgery for a brain tumor, and that the chances were quite slim that she would survive the surgery.

At the time, you called Katja at her hospital and told her you wanted her to come to the White House to see you when she got well -- the impetus for the session.

Katja seems to be well on the way to recovery. However, the tumor problem is still with her. She is to go back to the hospital in the next day or two for another scan, but we are told that the tumor has shrunk in response to the radiation treatments she has received. Her doctors have said no one has ever responded as well to the treatment as has she, and they are very pleased with her progress this far.

Katja is quite a fan of yours. When she had to go to the hospital, she asked to take only two items: her "Cookie Monster" toy and her picture of Jimmy Carter (in that order).

Accompanying Katja will be her mother Elfie (a native of Germany); brother Kevin, and father Maurice.

Maurice -- formerly of the Atlanta Journal, then the Cox Newspapers Washington bureau -- is now publications specialist with the American Newspaper Publishers Association.

Aside from the obvious wishes for good health and so forth, you may wish to add:

- You certainly have enjoyed knowing her father, both down in Georgia and up here.
- That her father certainly has an interesting job, and you understand things are more convenient now that he works in Reston (the same place they have lived for several years, and the long, dreary commute time is now over with).
- You certainly enjoyed your trip this summer to Germany and you understand that that's where her parents met.

A White House photographer will be present to take photos.

12:10 PM

C

THE WHITE HOUSE

WASHINGTON

October 30, 1978

MEETING WITH REPRESENTATIVES OF FEDERAL REGISTER

Tuesday, October 31, 1978
12:10 p.m. (3 minutes)
The Oval Office

By: Fran Voorde 

I. PURPOSE

To present the first two volumes (covering 1977) of the Public Papers of the President.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: Prior to 1957 there was no uniform publication of papers of the Presidents. Since, every incumbent President has participated in a presentation ceremony for the volume covering his first year in office.

In line with the President's efforts to make government more efficient and cost effective, the Office of the Federal Register has combined its two series on Presidential papers: the Public Papers of the Presidents and the Weekly Compilation of Presidential Documents with resulting elimination of duplicative editing, indexing, proofreading, etc. and cost savings.

B. Participants:

Joel W. (Jay) Solomon,
Administrator of General Services
James G. Rhoads,
Archivist of the United States
John J. Boyle
Public Printer
Fred J. Emery,
Director of Office of Federal Register
Ernest J. Galdi,
Deputy Director, Office of Federal Register

Office of Federal Register Staff responsible for
publication:

Richard L. Claypoole
Margaret M. Donohoe
Martha B. Girard
Robert E. Lewis
Katherine A. Mellody
Kenneth R. Payne

C. Press Plan: White House Photographer.

III. TALKING POINTS

Particular mention should be made that this project
has been a significant step in the President's efforts
to hold down cost of government.

THE WHITE HOUSE
WASHINGTON

10/31/78

Frank Press

The attached was returned in the
President's outbox today and is
forwarded to you for appropriate
handling.

Rick Hutcheson

5641

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

October 26, 1978

*Frank
Thanks -
J*

MEMORANDUM TO: THE PRESIDENT

FROM: Frank Press *FP*

SUBJECT: Ra-Shalom, The Camp David mini-planet

You may remember my telling you on Air Force One about this mini-planet discovered during the Camp David Summit and named Ra-Shalom to commemorate that historic event. You announced the discovery in your Kennedy Space Center speech.

The enclosed photograph-plaque and descriptive brochure was sent by the discoverer. If you wish additional copies to present to Prime Minister Begin and President Sadat, or to their representatives at Blair House, please let me know.

Enclosure

*Please get for
me two copies -
J*

THE WHITE HOUSE
WASHINGTON

10/26/78

Mr. President:

Newsweek would like to do an *inflation*
cover picture next week of you and
Alfred Kahn. They need to take it
tomorrow. I suggest after Jody's
time.

☒ approve ☐ disapprove

Phil

Phil has
seen.

THE WHITE HOUSE
WASHINGTON

12

THE WHITE HOUSE
WASHINGTON

10/27/78

Mr. President:

Attached is a list of
recommended participants
for today's budget meeting.

_____ approve list

_____ change list

Phil



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

October 27, 1978

MEETING ON THE 1980 BUDGET
AND ECONOMIC OVERVIEW
Friday, October 27, 1978
2:30 P.M. (90 minutes)
The Cabinet Room

From: James T. McIntyre, Jr.

*Count on what
we say being in
the press*
J

I. PURPOSE

This overview session begins your review of the 1980 budget. Its emphasis is on longer-range implications of current policy and some alternative budget and economic strategies. Supporting materials are included in the attachment.

II. PARTICIPANTS

The Vice President
Hamilton Jordan
Jody Powell
Stuart Eizenstat
Charles Schultze
Lyle Gramley
Jack Watson
Anne Wexler
Zbigniew Brzezinski
Henry Owen
W. Michael Blumenthal
Frank Moore

Frank Press
James McIntyre - *ok*
John White
Bowman Cutter
Dale McOmber
Eliot Cutler
Randy Jayne
Frank Raines
Suzanne Woolsey
Van Ooms
Alfred Kahn - *ok*
Hubert Harris

Attachment

See

THE WHITE HOUSE
WASHINGTON
10/31/78

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

	FOR STAFFING
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	VICE PRESIDENT
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	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
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	HUTCHESON
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	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

United States Senate
Office of the Majority Leader
Washington, D.C. 20510

NA
J

October 5, 1978

The President
The White House
Washington, D. C.

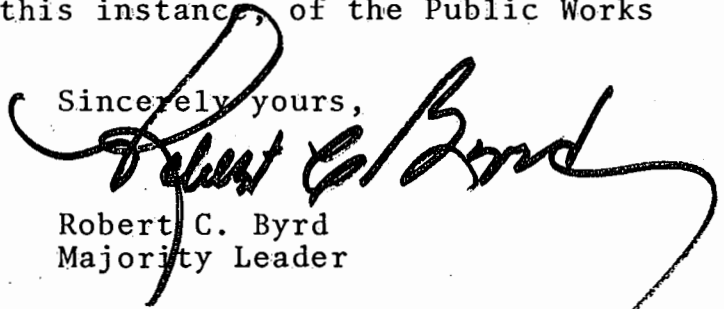
Dear Mr. President:

I congratulate you on your House victory today. For your information, I had sixty-four committed votes today for override in the Senate. I knew of seventeen definite votes to sustain the veto, fifteen uncommitted, three Senators pairing (two for override, one for sustaining the veto), and one absent Senator. The Senate was prepared to override your veto, and I regret that the House rendered the matter moot.

Congress has cooperated with the President in producing an outstanding record--a record of cooperation. The issues on which the Congress has taken a courageous stand in support of the President have been the toughest issues I have seen in my twenty-six years on Capitol Hill. I regret that as the days of the 95th Congress come to a close, you felt it necessary to veto the Public Works Appropriations bill. More than that, I regret the rhetoric to which you resorted in utilizing time-worn phrases, namely, "pork-barreling," "budget-busting," etc., all of which made it appear that the Congress was the one "wasteful" branch of the Federal Government.

As one who has loyally supported and defended you throughout two very, very difficult years, I respectfully say again that I deeply regret your action, and I also deeply regret the fact that the House was unable to override the veto. I recognize the fact that it is your responsibility to veto any bill that you think is unwise. I strongly disagree with your sense of justification of a veto, in this instance, of the Public Works Appropriations bill.

Sincerely yours,



Robert C. Byrd
Majority Leader

RCB:bv

THE WHITE HOUSE

WASHINGTON

October 27, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*
RICK NEUSTADT

SUBJECT: Regulation Component of Your Anti-Inflation Program

We are attaching a directive to the agencies on the regulatory actions you will announce in the inflation speech. This directive also includes the extension of the regulatory analysis review program. You approved that item last week, and we have folded it into this directive.

The new Regulatory Council you are establishing will have a chairman, appointed by you from the members, for a one-year term. We recommend you appoint Doug Costle as the first chairman. EPA led the effort to design the program and is fully committed to making it work. Charlie Schultze and Jim McIntyre concur with this recommendation. Alfred Kahn also concurs.

✓
Approve _____

Disapprove _____

Attachment

J
TWO SIGNATURES REQUESTED

5582 5 10/28

The Council will consult with the Congress and the public as it proceeds. In the next few weeks, I will meet with the Council to discuss the development of the calendar, identify cross-cutting issues, and emphasize the need to regulate in the least costly, most effective manner. The Council will be chaired by a member for a one year term. The first chairman, serving through January 1, 1980, will be Douglas Costle. The departments should participate in their capacities as regulators.

The regulatory calendar will be used by the Regulatory Analysis Review Group that I established on an interim basis early this year. This group assists agencies in analyzing the economic consequences of proposed major rules and in exploring alternative approaches. The group discusses and submits formal comments on 10 to 20 of the most important regulations proposed each year. Today, I am extending this program through June 30, 1980.

The above steps will further improve the process of issuing new regulations. The Executive Order also requires agencies to prepare lists of existing regulations for "sunset" review. As part of my effort to eliminate unnecessarily inflationary regulations, I am asking you to review these lists and identify additional major regulations which can be modified or eliminated to reduce costs. Candidates for such reviews should be submitted to OMB by December 1, 1978.

These steps will accelerate our progress toward a regulatory system that meets the needs of the public at the least cost. Your personal attention to this effort is essential to its success.

Jimmy Carter

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Strengthening Regulatory Management

I am deeply committed to seeing that the regulatory agencies perform their important missions without imposing unnecessary costs. Last March I issued Executive Order 12044 as a first step toward ensuring that regulations achieve their statutory goals in the most effective and balanced way. To reinforce this effort, I am establishing a Regulatory Council, to include all Executive Departments and Agencies with major regulatory responsibilities. The independent regulatory commissions will be invited to join. I am also extending the Regulatory Analysis Review program and accelerating the "sunset" process under Executive Order 12044.

The Regulatory Council will help inform me, the public, and the Congress about the cumulative impact of regulation on the economy. It will publish, at least every six months, a unified calendar of major regulations, using the criteria defined in the Executive Order. This calendar will state the goals and benefits, legal requirements, and expected timetables of the regulations, along with available estimates of economic impacts. The first calendar will be published no later than February 1, 1979.

My Executive Office agencies and I will work with the Council and the calendar. The Council will help ensure that regulations are well coordinated, do not conflict, and do not impose excess burdens on particular sectors of the economy. OMB will use the calendar in its key role of overseeing agency compliance with the Executive Order.

Appendix

Regulatory Council

Department of Treasury
Department of Justice
Department of Agriculture
Department of Commerce
Department of the Interior
Department of Labor
Department of Health, Education, and Welfare
Department of Housing and Urban Development
Department of Transportation
Department of Energy
General Services Administration
Environmental Protection Agency
Veterans Administration
Administrative Conference of the United States

The independent regulatory commissions will be invited to join the Council. Agencies in the Executive Office of the President will participate with it.

Regulatory Analysis Review Group

Economic Agencies:

Council of Economic Advisers
Office of Management and Budget
Department of Commerce
Department of Labor
Department of the Treasury

Regulatory Agencies:

Department of Agriculture
Department of Energy
Department of Health, Education, and Welfare
Department of the Interior
Department of Justice
Department of Transportation
Environmental Protection Agency

Other Participants:

Office of Science and Technology Policy
Council on Wage and Price Stability

The Council on Environmental Quality and the Domestic Policy Staff will serve as advisers of the Review Group.

Proposed regulations will be selected for review by a four-member Executive Committee of the Review Group. This Committee shall be chaired by the Council of Economic Advisers. The Office of Management and Budget will serve as a permanent member, and the other two members will be one "economic" agency and one "regulatory" agency, chosen every six months on a rotating basis.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

10/31/78

Tim Kraft
Arnie Miller

The attached was returned in the
President's outbox today and is
forwarded to you for appropriate
handling.

Rick Hutcheson

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT *TK*

JIM GAMMILL *Jim G*

SUBJECT:

Director, Tennessee Valley Authority

*Tim -
Check with
Jim Free -
Search as for
Cabinet
member
J*

Last week, you indicated that you wanted to consider other candidates for the third position on the TVA Board of Directors. The new candidates should be the strongest and most respected leaders of the Tennessee Valley establishment.

The two individuals who best fit that description are Speaker Ned McWherter of Tennessee and Congressman Ed Jones of Tennessee.

Ned McWherter will be reelected as Speaker of the House of Representatives of Tennessee. As an extremely successful businessman and legislator, Speaker McWherter is unquestionably one of the leading citizens of Tennessee.

Ed Jones was first elected to Congress in 1969. Congressman Jones has more than forty years of agricultural experience, including four years as the Tennessee Commissioner of Agriculture. Jones, who will be 67 next year, has worked closely with David Freeman on TVA matters, and David has a great deal of respect for the Congressman.

Neither man has been approached by us for this position, nor have we asked Frank, Stu, or the Vice President for their comments at this time.

If you are so inclined, we encourage you to discuss the appointment with one or both of the men. Despite their current heavy responsibilities, we are confident that either one would give it very serious consideration if you asked. And, if nothing else, your offer would be a clear signal to all of the kind of person you wish to nominate.

You should also remember Al Smith of Kentucky. Mr. Smith continues to have the strong support of the entire Kentucky establishment, and his accomplishments as a community leader deserve your further consideration.

THE WHITE HOUSE

WASHINGTON

October 30, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: NELSON H. CRUIKSHANK

SUBJECT: FCA Support for Anti-inflation Program

The Federal Council on the Aging (FCA) met on October 26-27. On the 26th, background material on your Anti-inflation program was made available to each Council member. On the 27th, the Council by formal voting action adopted the following resolution:

Older Americans have suffered greatly from the inflation that is gripping our Nation. Older people have seen their often meager pensions buy less and less. Older people have found their retirement incomes too small to keep pace with rising living costs.

Therefore, the Federal Council on the Aging favors the Administration efforts to slow inflation. The Federal Council on the Aging urges, Congress, business and labor to do all within their power to bring inflation under control.

THE WHITE HOUSE
WASHINGTON

10/31/78

Alfred Kahn
Anne Wexler

The attached was returned in the
President's outbox today and is
forwarded to you for appropriate
handling.

Rick Hutcheson

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
<input checked="" type="checkbox"/>	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
<input checked="" type="checkbox"/>	WISE
	KATHN

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

October 31, 1978

*Alfred
Anne
Move fast
& strongly
J*

MEMORANDUM TO: ALFRED KAHN

FROM: ANNE WEXLER *Anne*

Yesterday I spent the day campaigning in Pennsylvania and in the process I had contact with a lot of businessmen, both medium and large.

Their reaction to the inflation program is unanimously positive. However, I believe that shortly we will have a real problem if we do not make an effort to reach out to them and explain the program in more detail. They want to cooperate; they want to feel like they are part of the team.

At this point they do not know what the program means for them or for the country. If we do not reach them soon and they find out that other people are not complying with the program they will go off the reservation.

Stu Eizenstat was campaigning in Massachusetts yesterday and had the exact same experience.

This has caused me to change my mind somewhat about how we approach the business community in this effort. I believe we must mount a much broader campaign using federal regional officials and perhaps loaned executives of accounting firms to organize meetings in cities and counties or in industrial sectors or both. We need to activate our Speakers Bureau quickly. We probably should think about expanding the letter signed by the President to the Fortune 500 to a larger base, as large as all of the business names stored in the Commerce Department computer (Dun and Bradstreet.)

I think we must move quickly on this. Please let me have your thoughts.

cc: ✓ The President
Stu Eizenstat
Jack Watson